

## CHAPTER 25 SMALL PURCHASES

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### 2500 USE OF SMALL PURCHASE PROCEDURES

- 2500.1 The small purchase procedures set forth in this chapter may only be used for the procurement of supplies, services, and other items when the total amount of the procurement does not exceed ten thousand dollars (\$10,000), in accordance with D.C. Code §1-1110 (1992 Repl. Vol.).
- 2500.2 A contracting officer shall not use small purchase procedures when the requirement can be met by using one of the following:
- (a) A requirements term contract;
  - (b) An indefinite quantity term contract;
  - (c) A federal or District supply schedule; or
  - (d) Another source of supply, other than sealed bids or proposals, which would result in a lower price for the same or comparable supplies or services.
- 2500.3 A contracting officer shall not use small purchase procedures when the procurement requirement is initially estimated to exceed ten thousand dollars (\$10,000), even though the resulting award does not exceed that limit.
- 2500.4 If a procurement requirement totals more than ten thousand dollars (\$10,000), a contracting officer shall not split the procurement into several purchases that are each less than the limit in order to permit the use of the small purchase procedures.

- 2500.5 A procurement requirement shall not be parceled, split, divided, or purchased over a period of time in order to avoid the ten thousand dollar (\$10,000) limitation for use of small purchase procedures. However, this shall not preclude the use of small purchase procedures for different requirements for the same or similar items which arise independently and for which the contracting officer cannot reasonably plan or execute a single procurement,
- 2500.6 A contracting officer shall use the small purchase procedure that is most suitable, efficient, and economical based on the circumstances of each procurement,

**AUTHORITY:** Unless otherwise noted, the authority for this chapter is §4 of the Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of Columbia, D.C. Law 3-172, D.C. Code §2-2501 *et seq.* (1994 Repl. Vol.).

**SOURCE:** Final Rulemaking published at 36 DCR 6681, 6769 (September 22, 1989).

## 2501 NONCOMPETITIVE SMALL PURCHASES

- 2501.1 A procurement for an amount of one thousand dollars (\$1,000) or less may be made without obtaining competitive quotations if the contracting officer determines that the price is reasonable.
- 2501.2 Noncompetitive small purchases shall be distributed equitably among suppliers. When practical, a quotation shall be solicited from a vendor other than the previous supplier before placing a repeat order.
- 2501.3 The contracting officer shall take action to verify that the price paid for an item or service is reasonable in the following instances:
- (a) When purchasing an item for which no comparable pricing information is readily available (such as an item that is not the same as, or is not similar to, other items that have been recently purchased on a competitive basis); or
  - (b) When the contracting officer suspects or has information (such as comparison to previous prices paid or personal knowledge of the item involved) to indicate that the price may not be reasonable.

**SOURCE:** Final Rulemaking published at 36 DCR 6681, 6770 (September 22, 1989).

## 2502 COMPETITIVE SMALL PURCHASES

- 2502.1 For each procurement in an amount over one thousand dollars (\$1,000), the contracting officer shall solicit quotations from at least three (3) sources to promote competition to the maximum extent practicable and to ensure that the purchase is in the best interests of the Agency, considering quality, price, and other factors (including the administrative cost of the purchase). If practicable, two (2) sources not included in the previous solicitation for similar items shall be requested to furnish quotations.
- 2502.2 If the contracting officer determines that it is impractical under the circumstances to solicit more than two (2) sources (due to time constraints, lack of available



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sources, or other factors set forth in §2502.4), the contracting officer may solicit quotations from two (2) sources. In no instance shall the contracting officer solicit quotations from fewer than two (2) sources unless the provisions of §2502.5 are followed.

- 2502.3** If the contracting officer determines that the best interests of the Agency (or other factors set forth in §2502.4) indicate that price quotations should be obtained from more than three (3) sources, the contracting officer may require the solicitation of additional quotations,
- 2502.4** The contracting officer shall consider the following factors when deciding how many quotations will be solicited:
- (a) The nature of the item or service to be purchased and whether it is highly competitive and readily available in several makes or brands, or if it is relatively noncompetitive;
  - (b) Information obtained in making recent purchases of the same or similar item;
  - (c) The urgency of the proposed purchase;
  - (d) The dollar value of the proposed purchase; and
  - (e) Past experience concerning specific contractors' prices
- 2502.5** A small purchase procurement solicitation may only be limited to a sole source when the contracting officer determines, in writing, that one (1) of the following conditions is satisfied:
- (a) There is only one (1) source for the required item or service; or
  - (b) An emergency condition exists which precludes the solicitation of multiple quotations.
- 2502.6** A contracting officer may orally solicit quotations. However, a contracting officer shall use a written solicitation in the following circumstances:
- (a) When a large number of line items is included in a single proposed procurement;
  - (b) When obtaining oral quotations is not considered economical or practical;
  - (c) When extensive specifications are involved; or
  - (d) When the suppliers are located outside the local trading area.
- 2502.7** A contracting officer shall maximize competition for small purchases and shall not necessarily limit solicitations to suppliers of well known and widely distributed makes or brands, or solicit on a personal preference basis.

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- 2502.8 Each contracting officer shall maintain a small purchase source list (or lists, if more convenient). The list shall indicate whether the business is a certified minority business.

SOURCE: Final Rulemaking published at 36 DCR 6681, 6770 (September 22, 1989).

**2503 DETERMINATION OF REASONABLE PRICE AND AWARD**

- 2503.1 The contracting officer shall determine, in writing, that the price to be paid to the successful offeror is fair and reasonable.
- 2503.2 When only one (1) response is received to a request for quotations, or the price variance between multiple responses reflects a lack of adequate competition, the contracting officer shall include a statement in the contract file giving the basis for the determination of a fair and reasonable price.
- 2503.3 The determination that a proposed price is fair and reasonable may be based on either of the following:
- (a) Competitive quotations; or
  - (b) Comparison of the proposed price with prices found reasonable on previous purchases, current price lists, advertisements, similar items, catalogues, value analysis, the contracting officer's personal knowledge of the item being purchased, or any other reasonable basis.
- 2503.4 The contracting officer shall establish and maintain informal records of oral price quotations and include the record in the purchase file. The informal records shall consist of the names of the suppliers contacted and the prices and other terms and conditions quoted by each.
- 2503.5 The contracting officer may limit written records of solicitations to notes or abstracts to show prices, delivery, references to printed price lists used, the vendor or vendors contacted, and other pertinent data.
- 2503.6 The contracting officer shall retain records supporting small purchases for a minimum of three (3) years.
- 2503.7 The contracting officer shall notify unsuccessful suppliers only if requested.

SOURCE: Final Rulemaking published at 36 DCR 6681, 6770 (September 22, 1989).

**2504 [RESERVED]**



**2505 BLANKET PURCHASE AGREEMENTS**

- 2505.1** A blanket purchase agreement (BPA) may be used, in accordance with the provisions of this chapter, as a simplified method of filling anticipated repetitive needs for supplies, services, or other items by establishing charge accounts with sources of supply.
- 2505.2** A contracting officer may establish a BPA if one (1) or more of the following criteria apply:
- (a) There is a wide variety of items in a broad class of goods that are generally purchased, but the exact items, quantities, and delivery requirements are not known in advance and may vary considerably;
  - (b) There is a need to provide commercial sources of supply for one (1) or more offices in an agency that do not otherwise have or need direct authority to purchase; or
  - (c) The administrative cost of writing numerous purchase orders can be avoided through the use of this procedure.
- 2505.3** A BPA shall not be used for any commodity, service, or other item for which a requirements type contract has been issued by the Agency.
- 2505.4** A BPA is not a contract and may be established without a purchase requisition or the obligation of funds.
- 2505.5** To the extent practical, BPA's for items of the same type shall be placed concurrently with more than one (1) supplier. All competitive sources shall be given an equal opportunity to furnish supplies, services, or other items under a BPA.
- 2505.6** A BPA may be limited to furnishing individual items or commodity groups or classes, or it may be unlimited for all items or services that the source of supply is in a position to furnish, except as provided otherwise under this section.
- 2505.7** The contracting officer shall not use a BPA to make purchases that are not otherwise authorized by law or this title and shall not purchase off a BPA to avoid the small purchase authority limitation or to justify procurement on a sole source basis.
- 2505.8** When there is an insufficient number of vendors with BPA's to ensure maximum practicable competition for a particular purchase, the contracting officer shall do the following:
- (a) Solicit quotations from other sources and make the purchase as appropriate; and
  - (b) Establish additional BPA's to facilitate future purchases when recurring requirements for the same or similar items or services seem likely, when

qualified sources are willing to accept a or when it is otherwise practical to do so.

- 2505.9 An individual BPA shall be considered terminated when the purchases under it equal its total dollar limitation or when its stated time period expires.

SOURCE: Final Rulemaking published at 36 DCR 6681, 6772 (September 22, 1989).

**2506 BLANKET PURCHASE AGREEMENT PROCEDURES**

- 2506.1 The contracting officer shall prepare and issue a blanket purchase agreement (BPA) on a BPA form approved by the Director.

- 2506.2 The contracting officer shall include the following information in each BPA:

- (a) A statement that the supplier will furnish supplies or services, described in general terms, if and when requested by the contracting officer during a specified period and within a stipulated total amount;
- (b) A statement that the Agency is obligated only to the extent that authorized purchases are actually made under the BPA;
- (c) A statement that the prices to the Agency shall be as low or lower than those charged to the supplier's most favored customer for comparable quantities under similar terms and conditions, in addition to any discounts for prompt payment; and
- (d) A statement that specifies the dollar limitation for purchases under the BPA (not to exceed the small purchase limitations set forth in this chapter).

- 2506.3 The contracting officer shall furnish to each supplier a list of names of individuals authorized to purchase under the BPA, identified by organizational component, and the dollar limitation per purchase for each individual.

- 2506.4 A BPA shall contain a requirement that deliveries or shipments under the agreement (except subscriptions or other charges for newspapers, magazines, or periodicals) shall be accompanied by delivery tickets or sales slips which contain the following minimum information:

- (a) The name of the supplier;
- (b) The BPA number;
- (c) The date of purchase;
- (d) The purchase order number;
- (e) An itemized list of supplies or services furnished;
- (f) The quantity, unit price, and extension of each item, less applicable discounts; and



- (g) The date of delivery or shipment.

**2506.5** A BPA shall require that one (1) of the following procedures be followed:

- (a) That a vendor submit to a contracting officer a summary invoice at least monthly or upon expiration of the BPA, whichever occurs first, for all deliveries made during a billing period, identifying the delivery tickets;
- (b) That the vendor submit to the contracting officer an itemized invoice at least monthly or upon expiration of the BPA, whichever occurs first, for all deliveries made during a billing period and for which payment has not been received. These invoices need not be supported by copies of delivery tickets; or
- (c) That an invoice submitted by the vendor to the contracting officer for subscriptions or other charges for newspapers, magazines, or other periodicals, show the starting and ending dates and state either that ordered subscriptions have been placed in effect or will be placed in effect upon receipt of payment.

**2506.6** Each order placed against a BPA shall be recorded on a BPA order form which shall include a discreet BPA order number, accounting data identifying the source of funds, the items or services ordered, the name of the person placing the order, the date of the order, and other information required by the Director.

**2506.7** Purchases against a BPA may be made orally; Provided, that each order shall be documented on a BPA order form. After making an oral purchase, the contracting officer may send a copy of the BPA order form to the contractor to ensure that the contractor and the contracting officer agree concerning the transaction.

**2506.8** The contracting officer executing a BPA shall do the following:

- (a) Maintain adequate records to ensure that the total dollar volume of orders does not exceed the stated total aggregate amount;
- (b) Ensure that only authorized individuals are placing purchases against a BPA; and
- (c) Maintain awareness of changes in market conditions, sources of supply, and other pertinent factors that may warrant new arrangements with different suppliers or the modification of existing arrangements.

**SOURCE:** Final Rulemaking published at 36 DCR 6681, 6774 (September 22, 1989).

**2507** **[RESERVED]**

**2508 IMPREST FUNDS**

- 2508.1 A cash purchase using imprest funds may be made when the transaction does not exceed two hundred fifty dollars (\$250).
- 2508.2 A contracting officer shall specifically designate in writing persons authorized to make purchases using imprest funds.
- 2508.3 Each purchase using imprest funds shall be recorded on an imprest fund purchase form, approved by the Director, which shall include a discreet imprest fund purchase number, accounting data identifying the specific imprest fund account, the items or services purchased, the name of the person making the purchase, the purchase date, and other information required by the Director.
- 2508.4 The contracting officer shall further document each purchase using imprest funds by including a record of receipt and acceptance of supplies and services by the Agency, receipt of cash payment by the supplier, and the cash advances and reimbursements.
- 2508.5 When using imprest funds, the contracting officer may place orders to suppliers orally and without soliciting competition if prices are determined to be reasonable.
- 2508.6 When using imprest funds, the contracting officer shall attempt to distribute purchases equitably among suppliers, and shall solicit prompt payment discounts.
- 2508.7 The contracting officer, or other employee authorized under §2508.2, shall furnish a copy of the imprest fund purchase form to the imprest fund cashier with the following information annotated:
- (a) That an imprest fund purchase has been made;
  - (b) The unit and extended prices;
  - (c) The supplier's name and address; and
  - (d) The anticipated delivery date.
- 2508.8 The contracting officer shall require that the supplier include the following with each delivery:
- (a) An invoice, packing slip, or other sales instrument;
  - (b) The supplier's name and address;
  - (c) A list and quantity of items;
  - (d) The unit and extended prices; and
  - (e) The trade discount, if any.



SOURCE: Final Rulemaking published at 36 DCR 6681, 6776 (September 22, 1989).

**2509 [RESERVED]**

**2510 PURCHASE ORDERS**

- 2510.1 Each purchase order shall be issued on a form prescribed by the Director.
- 2510.2 Except as provided in §2511, a contracting officer shall issue purchase order on a fixed-price basis and shall not include economic price adjustment or redetermination provisions.
- 2510.3 Each purchase order shall include any trade and prompt payment discounts that are offered.
- 2510.4 Each purchase order shall specify the quantity of supplies or services ordered.
- 2510.5 When applicable, a purchase order shall provide that inspection and acceptance will be at destination. When inspection and acceptance are to be performed at destination, advance copies of the purchase order shall be furnished to the point of receipt. Receiving reports shall be completed by the contracting officer immediately upon receipt and acceptance of material.
- 2510.6 Each purchase order shall contain a definite calendar date by which delivery of supplies or performance of services is required.
- 2510.7 Distribution of copies of purchase orders shall be limited to those required for essential administration and transmission of contractual information.
- 2510.8 If the contracting officer wants to consummate a binding contract between the parties before the contractor undertakes performance, the contracting officer shall require written acceptance of the purchase order by the contractor.

SOURCE: Final Rulemaking published at 36 DCR 6681, 6777 (September 22, 1989).

**2511 UNPRICED PURCHASE ORDERS**

- 2511.1 A contracting officer shall use an unpriced purchase order only under the following circumstances:
  - (a) When the transaction will not exceed the small purchase limit set forth in this chapter;

- (b) When it is impractical to obtain pricing in advance of issuance of the purchase order; and
- (c) When a purchase is for repairs to equipment requiring disassembly to determine the nature and extent of repairs, material available from only one (1) source and for which cost cannot be readily established, or supplies or services for which prices are known to be competitive but exact prices are not known.

2511.2 A contracting officer shall issue each unpriced purchase order by using a written purchase order form and shall set a realistic dollar ceiling, either for each line item or for the total order. The dollar limitation shall be an obligation subject to adjustment when the firm price is established.

**SOURCE:** Final Rulemaking published at 36 DCR 6681, 6770 (September 22, 1989).

## **2512 MODIFICATION OF PURCHASE ORDERS**

2512.1 A purchase order may be modified by using the modification form approved by the Director. Each purchase order modification shall identify the order it modifies and shall contain an appropriate modification number.

2512.2 The contracting officer shall obtain a contractor's written acceptance of a purchase order modification if the written acceptance is determined by the contracting officer to be necessary to ensure the contractor's compliance with the purchase order as revised.

**SOURCE:** Final Rulemaking published at 36 DCR 6681, 6778 (September 22, 1989).

## **2513 TERMINATION AND CANCELLATION OF PURCHASE ORDERS**

2513.1 If a purchase order that has been accepted in writing by the contractor is to be terminated, the contracting officer shall process the termination action in accordance with the termination provisions of Chapter 37 of Title 27, Contracts and Procurements (hereafter, "Title 27 DCMR").

2513.2 If a purchase order that has not been accepted in writing by the contractor is to be cancelled, the contracting officer shall notify the contractor in writing that the purchase order has been cancelled, request the contractor's written acceptance of the cancellation, and proceed in accordance with the provisions of §§2513.3 and 2513.4.

2513.3 If the contractor accepts the cancellation and does not claim that costs were incurred as a result of beginning performance under the purchase order, no further action shall be required and the purchase order shall be considered cancelled.

2513.4 If the contractor does not accept the cancellation or claims that costs were incurred as a result of beginning performance under the purchase order, the



contracting officer shall treat the action as a termination in accordance with the provisions of Chapter 37 of the Title 27 DCMR.

**SOURCE:** Final Rulemaking published at 36 DCR 6681, 6778 (September 22, 1989).

**2599      DEFINITIONS**

**2599.1**    The definitions of terms and phrases set forth in §2099 of chapter 20 shall apply to this chapter.

